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L11: Entry 116 of 143

File: USPT

Jul 16, 2002

US-PAT-NO: 6421648

DOCUMENT-IDENTIFIER: US 6421648 B1

TITLE: Data processing system for the management of a differential continuous compensation plan

DATE-ISSUED: July 16, 2002

INVENTOR-INFORMATION:

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APPL-NO: 09/ 290882 [\[PALM\]](#)

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US-CL-ISSUED: 705/1; 705/10

US-CL-CURRENT: [705/1](#); [705/10](#)

FIELD-OF-SEARCH: 705/1, 705/10, 705/14, 705/7

PRIOR-ART-DISCLOSED:

U.S. PATENT DOCUMENTS

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	PAT-NO	ISSUE-DATE	PATENTEE-NAME	US-CL
<input type="checkbox"/>	4949256	August 1990	Humble	
<input type="checkbox"/>	5025372	June 1991	Burton et al.	
<input type="checkbox"/>	5202826	April 1993	McCarthy	
<input type="checkbox"/>	5537314	July 1996	Kanter	
<input type="checkbox"/>	5734838	March 1998	Robinson et al.	
<input type="checkbox"/>	6134533	October 2000	Shell	705/26

FOREIGN PATENT DOCUMENTS

FOREIGN-PAT-NO	PUBN-DATE	COUNTRY	US-CL
WO-200148669	July 2001	WO	

OTHER PUBLICATIONS

Chen, J., "A Simplified Integer Programming Approach to Resource Allocation and Profit," Accounting and Business Research, Autumn 1993, vol. 13, issue 52, p. 273.

ART-UNIT: 3744

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ABSTRACT:

A data processing system is provided for monitoring and recording the information flow and data, and making all calculations necessary for maintaining a Differential Continuous Compensation Plan (hereinafter referred to as "DCCP") for participants to a Multi-Level Marketing approach (hereinafter referred to as "MLM"). MLM is defined as "an approach that remunerates participants for the purchases made by the people that they directly and indirectly introduced to particular products and/or services (hereinafter referred to as "offer")".

7 Claims, 3 Drawing figures

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Brief Summary Text (36):

The Differential Continuous Compensation Plan or DCCP data processing system of the invention is effective in meeting MLM's challenge, i.e. it naturally motivates its participants to perform word-of-mouth. Doing so, unlike existing MLM plans, it does not need to add layers of pay out conditions in order to ensure minimal individual and collective performance. The simplicity brought by the application of DCCP renders MLM simple enough for the layperson to understand and to communicate to others. Indeed, the approach and its methods can be explained on a single leaflet that makes participants fully autonomous. Consequently, unlike existing MLM plans, participants to DCCP do not have to spend money, time and effort in training and motivation. Since participants have nothing to lose and everything to gain in participating, the system is not limited to a small segment of entrepreneurs (people who have money and time to invest in a small business venture). Since DCCP is offering great potential gains (to be paid forever) in exchange of a small effort (no monetary investment, little time investment to be made once) it can truly be geared towards the operator's entire population of potential customers. Since every potential customer is concerned, DCCP becomes an additional product/service feature, a significant source of competitive advantage. For the first time ever, the DCCP data processing system provides businesses with the means to effectively remunerate those ordinary people who bring them business through their precious word-of-mouth. They can now do it without having to take part into a traditional MLM industry that has developed a specific and very real expertise in training and motivating large groups of small entrepreneurs. They can do it without being associated with an industry for which the vast majority of participants drop out and possibly loose significant investment in money and time.

Brief Summary Text (37):

More specifically, the DCCP data processing system subject of this invention has the following advantages: a) it guarantees that, if a participant has introduced more than one person who developed sub-groups of customers, an increment in a particular sub-group's business volume will generate an increment in his/her net compensation. In other words, it effectively redistributes the available margin by always motivating participants to introduce more people to the offer over time; b) each participant is remunerated for the marginal contribution that s/he makes to the business volume of his/her group (fair and transparent rule); c) since the DCCP data processing system is effective, there is no need for imposing performance conditions in order to pay compensation of participants; d) since the DCCP data processing system does not impose performance conditions, it does not provide short term incentive to purchase unwanted products or to introduce dummy participants; e) since the DCCP data processing system is effective, it always uses the same 3-steps calculation method (Differential method with a Continuous mathematical function) for all participants regardless of their position in the generations tree, the time they have been involved, their group business volume, etc.; f) since the DCCP data processing system always uses the same calculation method, it is understandable for the layperson and explainable on a single leaflet; g) since it can effectively be explained on a leaflet, it does not require additional training or motivation

sessions or seminars; h) since it does not require any additional training or motivation, it can be offered for free (no entry barriers) and the time and effort required from participants are very significantly reduced; i) since the required investment in time and effort is small compared to the potential gains, participants to DCCP do not have to be small entrepreneurs (people who have money and time to spend on a small business venture); they can simply be consumers who perform a task similar in intensity to natural word-of-mouth; j) since there is no need to have a specific expertise in training and motivating large groups of entrepreneurs, DCCP allows any company that wants to communicate and/or distribute an offer to final consumers to adopt MLM as a marketing approach. It can also be seen as a new kind of incentive program to effectively acquire and keep new business; k) for those companies who never used MLM as a marketing approach, DCCP allows them to reduce their communication budgets by communicating more effectively (personal communications by ever-growing number of channels) and by making all participating customers loyal (new economic rapport with them); l) for those companies who never used MLM as a marketing approach, DCCP allows them to reduce the financial risk of communicating by spending marketing budgets only after the acquisition of business; m) for those companies who currently use MLM as a marketing approach, DCCP allows them to significantly broaden their target market (no entry barriers, no entrepreneurial requirements). It also offers tremendous benefits to their current participants who may find it difficult to find other participants with an entrepreneurial profile; n) for those companies who currently use MLM as a marketing approach, DCCP allows them to significantly reduce their operations costs (no training or motivation infrastructure necessary); o) for those companies who currently use MLM as a marketing approach, DCCP allows them to significantly reduce attrition rates and improve good conduct (less social pressure and sectarian attitude since there is nothing to lose and everything to gain for participants);

Current US Class (1):

705